

NEWS

The American nightmare: The working poor

By Rep. John Lewis (D-Ga.)

What happened to the American dream? The belief that through hard work families can give their children a more comfortable life than generations before them. We work harder today than ever before with less to show for our accomplishments.

Though the economy has recovered from the recent recession, the benefits of that recovery have mainly profited the rich. And for the first time in decades, economic recovery has not offered much hope to the average American.

The State of Working America, developed by the Economic Policy Institute (EPI), reports that technological advances enable working Americans to be more productive than at any time in history. In fact, productivity has risen by 33 percent over the last decade. Worker harder, make more money, right? Wrong. Since 2001, when profit for some industries has been greater than ever before, wages either remain unchanged or fell, says EPI, after adjusting for inflation.

For families who live in major urban areas—Atlanta, New York, San Francisco, Chicago, Houston, or Washington, D.C.—the cost of living, including prices for gasoline, food, and housing have gone up or remain high, but EPI's report reveals that the typical man trying to lift his family up is managing hourly wages that are 5 percent lower than they were in 1979.

Add to that the trend in government and private industry to shift risk from corporate America on to the backs of working families, requiring them to absorb half the rise in cost of employer-provided health insurance premiums. And, millions of Americans work who have no health benefits at all. According to the Census Bureau, Georgia was one of eight states where the numbers of uninsured have climbed in the past two years, along with the rate of poverty, and maybe these statistics explain why.

Where can average Americans find some relief? It's hard to say. Finding a better paying job won't work. Job creation is slow, according to the Bureau of Labor Statistics. Americans no longer compete only among themselves; today they vie with workers in a worldwide labor market who can survive much more cheaply in their economies than Americans can. How about getting more education? That usually makes workers more marketable. But the EPI report says only about 27 percent of American jobs even require a college education, and that rate is expected to increase very little in the next 15 years. Plus federal support for student aid has been cut by this Congress, essentially to finance the war.

So how are America's families surviving? Credit cards finance many of their day-to-day expenses. The EPI reveals that the average family's debt is 130 percent of their personal

disposable income. About a quarter of low-income households had debts that exceeded 40 percent of their income.

If the bills pile up too high, those families can't even declare bankruptcy. The House and Senate majority pushed through revised bankruptcy laws that make it difficult for the average citizen to get out of debt. Meanwhile, corporate America has been allowed to balance their budgets at the expense of employees, imposing wage freezes or cuts, baling out of pensions and health insurance premiums so they can reach their profit projections. Don't look to the federal government for an example either. It has run up the largest deficit in history, with no end in sight.

In 1965, a CEO made 24 times the pay of the average worker in his company, according to the EPI report. Today the average CEO makes 262 times the pay of his or her average worker. That employee's wages have risen only 7.2 percent since 1992, while CEO compensation has risen over 186 percent. The top fifth of our economy controls 84 percent of the wealth in this country, and the average net worth of the top 1 percent of Americans is \$15 million. Compare that to 30 percent of all American households, tens of millions of Americans, who have an average net worth less than \$10,000.

A series of tax cuts for the rich promoted by the White House and the current congressional majority have fueled this divide, and they are still pushing for one more, an estate tax cut. Even the richest of the rich—Warren Buffet, Bill Gates, and David Rockefeller Sr.—think this adds insult to injury for the common man and woman. Maybe they would agree with what one leader said when government policy was designed to offer more hope to average Americans. “If a free society cannot help the many who are poor,” said President John Kennedy, “it cannot save the few who are rich.”

Where is the compassion in our economic policy, the concern for humanity that is the duty of government? If government does not protect the interests of the people it represents, then who will? The values of “personal responsibility” lauded by this administration are really code words that mean every man and women for themselves. And if Hurricane Katrina demonstrates this government's concern for the least among us, we better hope that the proverbial financial “levee” does not break. I have no doubt that our economy will survive, but it won't be pretty.

Lewis is the ranking member of the Oversight Subcommittee of the Ways and Means Committee.